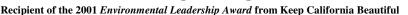


California Regional Water Quality Control Board

Los Angeles Region





320 W. 4th Street, Suite 200, Los Angeles, California 90013
Phone (213) 576-6600 FAX (213) 576-6640 - Internet Address: http://www.waterboards.ca.gov/losangeles



Arnold Schwarzenegger Governor

November 30, 2005

Tracy J. Egoscue, Esq. Executive Director Santa Monica Baykeeper P.O. Box 10096 Marina Del Rey, CA 90295 Dr. Mark Gold Director Heal the Bay P.O. Box 10096 Marina Del Rey, CA 90295

ALLEGED VIOLATIONS OF NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) NO. CA0001147 (EL SEGUNDO POWER, LLC)

Dear Ms. Egoscue and Dr. Gold:

Reference is made to your letter dated October 18, 2005, regarding your concerns for violations of the NPDES permit for El Segundo Power Plant (ESPP). The following are a brief summary of your concerns:

- 1. The alleged violation stems from ESPP continued intake and discharge of water through intake #001, which supplies cooling water to generation units 1 and 2, even when the units are idle.
- 2. The volume of water drawn through intake #001 and intake #002 (which supply cooling water to generation units 3 and 4) exceeded permitted intake volumes.

It is our understanding that the concerns are based on the intake and discharge volumes referenced, and intensely debated by the California Energy Commission (CEC) during review of the ESPP Application for Certification (AFC) to modernize generation units 1 and 2, and the recently promulgated 316(b) Phase II Rule.

Regional Board staff have evaluated ESPP's NPDES permit to determine if violations of the provisions of the permit have occurred and the appropriate course of action. The following are our interpretations (in reference to your comments) based on the existing NPDES permit (Order), adopted by the Regional Board on June 29, 2000:

1. Finding 4 of the Order including TABLE 1 (attached) describes the design parameters of the intakes and outfalls associated with the nature and maximum volume of wastes to be discharged at the ESPP. Findings are provided for information and are <u>not</u> enforceable.

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2. The Order regulates the type of wastes to be discharged and prescribes effluent concentration-based limitations for all of the discharged wastes, and does not mandate the allowable intake water volume or its use.

As far as 316(b) Phase II Rule concern, as you are aware, Regional Board staff are in the process of implementing the Rule for all coastal generation stations. The ESPP submitted a Proposal for Information Collection (PIC) which the Regional Board staff commented on in a letter dated October 27, 2005. Compliance in terms of actual reduction in impingement and entrainment is expected to begin no earlier than 2008, with a yet to be identified compliance schedule.

In summary, Regional Board staff find that the intake and discharge volumes of ESPP are in compliance with the provisions of the current NPDES permit and that the facility use of the intake water is in accordance with the facility NPDES allowable uses.

If you have any further questions, please contact Mr. Hugh Marley, Chief of Enforcement Unit at (213) 620-6375 or Mr. David Hung, Chief of Industrial Permitting Unit at (213) 576-6664.

ORIGINAL SIGNED BY

Jonathan S. Bishop Executive Officer

Attachment: Table 1 – Board Order 00-084, El Segundo Power, CA0001147, CI-4667

Cc: See mailing list

Ms. Tracy Egoscue, Esq. Santa Monica Baykeeper

Dr. Mark Gold Heal the Bay

MAILING LIST

Environmental Protection Agency, Region 9, Permits Branch (WTR-5)

U.S. Army Corps of Engineers

NOAA, National Marine Fisheries Service

Department of Interior, U.S. Fish and Wildlife Service

Mr. Philip Isorena, State Water Resources Control Board, Division of Water Quality

Mr. Michael Levy, State Water Resources Control Board, Office of Chief Counsel

Mr. William Paznokas, Department of Fish and Game, Region 5

Department of Health Services, Sanitary Engineering Section

California State Parks and Recreation

California Coastal Commission, South Coast Region

Mr. Tom Luster, California Coastal Commission

Mr. James Reede, California Energy Commission

Mr. Paul Richins, California Energy Commission

South Coast Air Quality Management District

Water Replenishment District of Southern California

Los Angeles County, Department of Public Works, Waste Management Division

Los Angeles County, Department of Health Services

Mr. Daniel Cooper, Lawyers for Clean Water

Mr. David Beckman, Natural Resources Defense Council

Ms. Shelly Luce, Santa Monica Bay Restoration Commission

Environment Now

Ms. Susan Damron, Los Angeles Department of Water and Power

Mr. Steve Maghy, AES Alamitos

Ms. Julie Babcock, Reliant Energy

Mr. Tim Hemig, El Segundo Power, LLC.